

28 March 2013

APESB releases Guidance Note on Outsourced Services

The Accounting Professional and Ethical Standards Board (APESB) today released guidelines to assist professional accountants manage risks associated with providing or utilising outsourced services.

APES GN 30 *Outsourced Services* was developed in response to the rapid growth of outsourcing professional services and was open for consultation during 2012.

APESB Chair Kate Spargo says while outsourcing can have benefits such as staff utilisation on core activities, lower costs and access to specialised skills, it also has 'potential risks'.

"Areas such as disclosure to clients, confidentiality of client information, integrity of information transferred between professional accountants and the outsourced service provider, and control and supervision of the work performed are areas addressed in the guidance note," Ms Spargo says.

Several submissions were received following release of the exposure draft from accounting bodies, major accounting firms and other stakeholders. These submissions have been taken into account in the finalisation of APES GN 30. APESB has published the details of the significant issues raised during the exposure process and the basis for the Board's decisions in the *Basis for Conclusions: APES GN 30 Outsourced Services*.

A key issue raised was around the benefits of disclosing outsourcing arrangements to clients. The Board considered this matter in depth and concluded that outsourcing arrangements should be disclosed to clients and the client's consent should be obtained. The exemption to this is in relation to group audits, which is addressed by existing auditing standards, in particular ASA 600.

"Following the consultation and development process, the APESB is confident that GN 30 provides a sound point of reference to consider the key matters that professional accountants should consider when they are involved in outsourcing activities or when developing service level agreements for these activities."

For a copy of APES GN 30 or the Basis for Conclusions visit: www.apesb.org.au

- ENDS -

Media enquiries: For further information or interviews with APESB Chair Kate Spargo, please contact:

Melanie Wilkinson (03) 9600 0006 / 0418 105 913 or Terry Sefton on (03) 9600 0006

Notes to Editors: The APESB is an independent body that sets the code of ethics and professional standards by which members of Australia's three professional accounting bodies are required to abide.